



Silicon Valley Manufacturing Roundtable

Manufacturing Equipment Sales Tax Exemption

Incentive Type

- Sales Tax Exemption

Value of Incentive

- Eliminates California portion of sales tax (4.19%)

Maximum Annual Amount

- \$200 million of equipment regardless of entity type

Getting the Incentive

- Benefit immediate - no state tax paid at time of purchase

Business Location

- Anywhere in California

Equipment Qualified for Tax Incentive

- Basic manufacturing equipment and;
 - R&D for manufacturing & biotech
 - Addition of necessary tenant improvements (ex: clean rooms)

Hiring Credit

Middle Class Wages

- YES - credit based on wages above \$12 an hour and up to \$28 an hour (or above \$10 an hour base in limited pilot areas)

Max Credit Amount

- \$56,000 per employee (five year total, 2,000 hours)

Credit Calculation

- 35% of wages each year for a total of 175%

Employee Qualifications

- Persons unemployed 6 months, veterans within one year of separation, Earned Income Tax Credit recipients, ex-offenders and recipients of CalWorks or general assistance

Poverty Area Targeting

- Areas based on census tracts with highest unemployment and poverty rates as well as LAMBRAS and current enterprise zone boundaries (excluding wealthy areas)

Business Incentives

- Governor's Economic Development Initiative (GEDI) - AB 93 & SB 90 create economic development tools to strengthen California's business environment and make California more competitive at the national level
- Sales Tax Exemption - as part of the Governor's new economic development program, manufacturers state-wide will be eligible for a sales & use tax exemption on the purchase of any new equipment after July 1st, 2014
- Hiring Tax Credit- Businesses located in existing Enterprise Zones, LAMBRAs, and other high unemployment & high poverty areas will be eligible for hiring tax credit of up to 35% of an employee's wages for a period of five years
- California Competes Credit - GO-Biz will administer a competitive tax credit to California companies based on job creation and retention metrics, economic impact, expansion location, and other criteria

California Employment Training Panel

ETP allows employers to earn up to \$26 per training hour per trainee for up to 200 hours of training. Training investments help companies become more competitive and ultimately more profitable.

ETP works for Employers because they make decisions about the training program.

- Assess their own current and projected training needs
- Select the trainee population from existing and recently hired workers as well as any planned hires
- Select their own job skills related training topics including proprietary production skills, lean manufacturing, specialized equipment, continuous improvement, leadership, VESL and others
- Select their own combination of trainers, including internal staff, third party vendors or community colleges and universities
- Select the most effective training delivery method including: classroom, laboratory e-learning and on the job training
- Schedule their training based upon their own needs

Employers assess their training needs, customize curricula to address the specific needs of their businesses, and implement and administer the training plan.

ETP funds encourage further investment in equipment, software and industry driven certifications and do not impact your eligibility for other incentives and tax credits. This helps employers maximize their investment.

ETP funding is a catalyst for future workforce training. Employers who participate in ETP-funded training are more likely to invest in future workforce training. The ETP experience provides them with the practical knowledge and tools to successfully implement a training plan.

ETP works closely with area contracting partners to ease the scheduling burden for employers interested in offsetting their training costs by enrolling the employer within ETP agreement of a local Community College District or Workforce Investment Board.

ETP provides individualized technical support for employers throughout the life cycle of the program.

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Contact:

Mark Bodie
tel +1 650 815 2212
mark.bodie@am.jll.com

Greg Matter
tel +1 650 815 2220
greg.matter@am.jll.com
License #: 01380731

Jason Ovadia
tel +1 925 944 2168
jason.ovadia@am.jll.com
License #: 01742912